



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

ECONOMIC PRESSURE AS A MEANS TOWARD CONSERVING PEACE

BY HERBERT S. HOUSTON,

Vice-President, Doubleday, Page & Company.

Everyone seems to agree that nations should arbitrate their differences. That demand for compulsory arbitration is heard the world over. The Woman's Peace Conference, which met at the Hague in the spring of 1915 under the presidency of Jane Addams, declared strongly in favor of compulsory arbitration. The week before several hundred German Socialists held a conference in Vienna and joined in a similar declaration. But above and beyond these recent pronouncements stands the final declaration of the last Hague Conference, that of 1907. I think we sometimes forget that that conference, before adjournment, passed, without a dissenting vote, a declaration in favor of compulsory arbitration. Now, when the next peace conference meets it will be in a world wasted and exhausted by war and it does seem that such a conference ought to be willing to start where the last Hague Conference ended, namely, with this declaration in favor of compulsory arbitration.

Now, if arbitration is to be compulsory, how is that compulsion to be applied? In my judgment, the most effective possible means is that of economic pressure.

Economic pressure could be applied in three ways:

1. To compel nations to submit to arbitration.
2. To compel nations to submit to the decrees of the High Court of Arbitration.
3. To serve as a penalty against an offending nation for breaking a Hague Convention.

Let us briefly examine economic pressure. Of what does it consist and how could it be applied? The most effective factors in a world-wide economic pressure, such as would be required to compel nations to arbitrate and to submit to the decrees of arbitration, are a group of international forces. Today money is international because in all civilized nations it has gold as the common basis. Credit based on gold is international. Commerce based on money

and on credit is international. Then the amazing net-work of agencies by which money and credit and commerce are used in the world are also international. Take the stock exchanges, the cables, the wireless, the international postal service, and the wonderful modern facilities for communication and intercommunication—all these are international forces.

The sum total of these forces would constitute economic pressure of the most powerful kind. It would affect subsistence, armament, equipment and every side and phase of war. If nations felt that they were going to meet the pressure of such an embargo as soon as their own resources were exhausted, isn't it fair to believe that such days as July 29 and 30 and August 1 of last year will not be so likely to come again in the calendar? White papers and gray papers and blue papers of the future would have to do with mobilizing the great protective reserves of commerce rather than those of the army and navy.

Of course, the one apparently strong and valid reason against such economic pressure is that it would bring great loss to the commerce of the nations applying it. But that loss would be far less than the loss brought by war. And there would be no loss whatever if war were avoided. Still to one beholding the wheels of his factory whirring with overtime work brought by war contracts; to the farmer enchanted with the magic of "dollar wheat," and to those especially affected by mounting export balances, an economic pressure that resulted in smaller trade will seem an astonishing and absurd measure to adopt, unless we are utterly bereft of our senses. But ask the cotton growers who had their market cut from under them by war; consider the virtual moratorium when the exchanges closed, bringing an incalculable loss in shrinkage in security values and affecting all business; listen to the poignant human appeal on bundle days and from country-wide unemployment; at least one must grant that the shield of Mars has two sides. But the burnished side is not that which reflects the ghastly image of war.

If a balance could be rightly struck in this country is there anyone who sincerely believes that our interests would be best served by war in some other country? This is quite apart from any question of humanity or civilization. Let it be a trial balance of commerce alone and it will show a heavy debit against war. And an accounting will show the same result in all other countries. If this

be true, with only current commerce entering into the equation, how staggeringly true it becomes when the piled up debts caused by war are considered.

So why shouldn't business, which has been binding the world more closely together for centuries, be employed to protect the world against the waste and loss of war? Hague Conferences have sought earnestly for penalties that would save their conventions from being treated as mere "bits of paper." Penalties that every nation would be bound to respect could be enforced through economic pressure. The loss in trade would be small or great in proportion to the amount and duration of the pressure; but it would be at most only an infinitesimal fraction of the loss caused by war.

This pressure would not require an international police force to make it effective. Each nation signatory to a Hague Convention that some nation had broken could apply it against that nation. Of course, the fact of infraction would have to be established, but that would be equally necessary if an international police force were to be used. The point urged is that economic pressure is a powerful and peaceful way to insure peace, while an international police force is likely to be a warlike way to provoke war. Probably such a force could be employed as a constabulary for the Hague Conference, under well defined limitations, but its use would be beset with endless difficulties and enormous and perpetual expense. Economic pressure, on the other hand, could be put in operation from within by each nation without expense and its power would be as sure and steady and irresistible as gravity.

In conclusion, may I read some brief resolutions, that it was my privilege to present at the recent convention of the Chamber of Commerce of the United States in Washington, embodying this idea of economic pressure as a means toward conserving peace?

These resolutions, which are now being considered by the Chamber of Commerce of the United States, are as follows:

Believing that commerce as the organized business life of the world is interdependent because international and believing that it can become a great conservator of the world's peace, therefore, be it

Resolved, by the Chamber of Commerce of the United States, that the next Hague Conference be urged in the interest of peace, to provide as a penalty for the infraction of its con-

ventions that an embargo shall be declared against an offending nation by the other signatory nations as follows:

1. Forbidding an offending nation from buying or selling within their territory or in territory under their control.

2. Forbidding an offending nation from raising money through the sale of bonds or of any other forms of debt within their territory or in territory under their control. Be it further

Resolved, that the President and the Board of Directors of the Chamber of Commerce of the United States be instructed to take all possible and proper means at their command to secure the adoption by the next Hague Conference of this proposal to apply the economic pressure of commerce as the most efficient, humane and civilized means of insuring the world's peace.